

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

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BOARD MEMBERS:

James Albert, Chair
John Walsh, Vice Chair
Saima Zafar
Carole Tillotson
Jonathan Roos
Mary Rueter

MINUTES OPEN SESSION MEETING APRIL 27, 2012 - 12:00 NOON JESSIE PARKER BUILDING 510 EAST 12TH, Ste 1A DES MOINES, IA

I. CALL TO ORDER

Chair Albert calls the meeting at 12:09 pm.

Members present: James Albert, John Walsh, Carole Tillotson, Mary Rueter, Jonathan Roos.

Saima Zafar absent.

Staff present: Director Megan Tooker, Sharon Wright, Tim Annee, Brian Woline.

Also present: Jason Clayworth from the Des Moines Register.

Chair Albert states that there is a quorum.

II. APPROVAL OF OPEN SESSION MINUTES

Documents

- November 10, 2011
- November 29, 2011
- December 14, 2011

Motion by Rueter, second by Tillotson, to approve the minutes as written. Motion carries.

III. ADJOURN TO CLOSED SESSION

Motion by Tillotson, second by Roos, to adjourn to closed session to discuss pending complaints and pending investigations in accordance with the provisions of Iowa Code section 21.5(1)(c) and (g).

Motion passes unanimously by roll call. Board moves into closed session at 12:12 pm.

IV. RETURN TO OPEN SESSION –the Board returns to open session at 1:08 pm

- A. Nancy Janssen/alleged use of resources for a political purpose – Motion by Tillotson, second by Roos, to dismiss complaint. Motion carries.
- B. Julie Wolbers, et al./alleged use of government resources for a political purpose. – Motion by Rueter, second by Tillotson, to issue Letter of Reprimand and \$100 penalty to Wolbers. Motion carries.
- C. Scott Olson – Motion to investigate by Walsh, Roos second. Motion carries.
- D. Tom Slockett/alleged use of government resources for a political purpose. – Motion by Rueter, second by Walsh, to order staff to conduct expedited investigation. Motion carries.
- E. Cathy Coppes/alleged gift from restricted donor – Motion by Walsh, second by Roos, to issue Letter of Reprimand and \$200 civil penalty. Motion carries.

- F. Jeffsmith.com – Motion by Tillotson, second by Rueter, to decline investigating alleged hacking of website. Motion carries.
- G. Keast et al. - alleged use of government resources for a political purpose. Motion by Tillotson, second by Walsh, to issue Letter of Reprimand and \$100 penalty to Suzette Kragenbrink.
- H. Closed session minutes. Motion by Rueter, second by Roos to approve closed session minutes as written for meetings held on November 10, 2011, November 29, 2011, and December 14, 2011.

Introduction of new employee, Tim Annee for County Local Committees , and transfer of Brian Woline from County Local Committees to Legislative/Statewide Committees.

V. NOTICE OF INTENDED ACTION

Document

Amend Rule 351-4.44(1) to prohibit contributions by LLC with corporate members - Motion by Tillotson, second by Roos, to approve proposed rule change. Motion carries.

VI. ADVISORY OPINIONS

Documents

- Nomination petitions circulated in government offices

Members discuss whether to adopt last paragraph of the proposed advisory opinion, which discourages government entities from allowing circulation of petitions under any circumstances. Albert doesn't think the Board should discourage what is legal. Albert suggests changing last paragraph to encourage the legislature to review the situation. Albert states the Board has always based determinations on whether conduct in question is express advocacy. Walsh suggests stating "Because of the complexities of the situation, the Board really discourages this activity". Tillotson suggests striking the last paragraph and adopting the remainder of the opinion. Roos says that the counter of a public entity is not the appropriate place for the petitions. General discussion follows and the suggestion to advocate legislative change prohibit circulation of petitions in government offices. Motion by Roos, second by Tillotson, to strike final paragraph and adopt remaining advisory opinion. Motion carries.

- Definition of "charitable organization"

Walsh agrees with defining a charitable organization to mean a 501(c)(3) because it creates a definite and easy to apply standard for Board's auditors and the regulated community. The standard would also prevent the funneling of funds to organizations such as 501(c)(4)s that can now expressly advocate. Motion by Tillotson, second by Rueter, to adopt proposed advisory opinion as written. Motion carries.

- Use of campaign funds to run for a "party office"

Discussion centered on whether or not running for a "party office" enhances a person's candidacy for office. Walsh agrees this is on the outer boundary, and supports the proposed opinion to not allow use of campaign funds to run for a party office. Motion by Walsh, second by Rueter to adopt proposed opinion as

written. Tillotson states there is certainly an argument that running for a “party office” enhances a person’s candidacy and Rueter agrees. Albert states the motion on the floor is to adopt the proposed opinion. None in favor. Motion dies. Motion by Tillotson, second by Rueter, to amend proposed opinion to allow campaign funds to be used to run for a “party office.” Motion carries.

- Lieutenant Governor candidate committee

Tooker previews recent request for advisory opinion on whether a lieutenant governor candidate may establish a separate committee from his or her running mate. Tooker states the request brings up some novel issues and she wants time to research whether other states allow and under what circumstances. Tooker says she will have a proposed opinion for the Board to consider at the next meeting.

VII. REQUESTS FOR WAIVER OF CIVIL PENALTIES (RULE 351 IAC 4.60) Documents

- COUNTY LOCAL COMMITTEES (Rule 351 IAC 4.59(2))

1. The People for Hearn – Tooker recommends reduction to \$25
2. Lezlie Boetel – Tooker recommends denial
3. Eberling Committee - Tooker recommends waiver
4. Dutcher for Council - Tooker recommends waiver
5. Carroll Athletic Complex Committee- Tooker recommends denial
6. Friends of Iowa Lakes Community College- Tooker recommends denial
7. Riverside Pride (multiple reports)- Tooker recommends reduction to \$300
8. Citizens to Elect Sibenaller for Supervisor- Tooker recommends denial
9. Jody McDanel for Supervisor- Tooker recommends denial
10. Griffith for Treasurer- Tooker recommends denial
11. Committee to Re-elect Dean Kaster Supervisor - Tooker recommends denial
12. Brock for County Attorney - Tooker recommends denial

- COUNTY CENTRAL COMMITTEES (Rule 351 IAC 4.59(2))

1. Floyd County Republican Central Committee - Tooker recommends denial
2. Chickasaw County Republican Central Committee - Tooker recommends reduction to \$25
3. Carroll County Republican Central Committee - Tooker recommends Tooker recommends denial
4. Wayne County Republican Central Committee Tooker recommends waiver

Motion by Tillotson, second by Roos, to adopt Tooker’s recommendations en bloc with the exception of any requests that a board member wishes to separately consider. No requests separately considered. Motion carries.

VIII. ATTRIBUTION NOTICES

Document

For informational purposes only, no action needed. Remedial notice published regarding lack of/incorrect attribution statement on political material.

- Dorothy Nelson – Avoca

IX. OTHER BUSINESS

Oral

- Legislative Review

Tooker reviews current legislative session. Agency bill to address independent expenditures and gifts from restricted donors passed Senate, but died in the House. Legislators showed no interest in having LSA draw county redistricting maps. The Secretary of State proposed a bill that would have allowed counties to petition the LSA to draw their maps. That bill died. The Board's budget for Fiscal Year 2013 is yet to be finalized. Currently, the House is at \$475,000 and the Senate is at \$510,000. Legislation was introduced to create a Public Information Board. Tooker, Roos and Albert worked with Representative Lensing on a proposed amendment to bring the Public Information Board within the Ethics Board's jurisdiction. Amendment failed but the bill passed.

- Initial processing of complaints

Tooker states the current practice is to hold complaints until next in person meeting. She asks whether the Board supports calling telephone meetings to address complaints so that they are processed more quickly. Consensus is to call telephone meetings as needed.

- Committees who have improperly reported un-itemized contributions

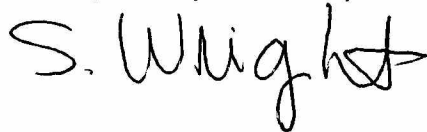
Tooker reports the Board's auditors are dealing with several central committees who are not keeping internal records for contributions in excess of \$10. Central committees are required to keep internal records for contributions in excess of \$10 and disclose the names and addresses of contributors in excess of \$50. These central committees mistakenly believed there was a disclosure exception for "pass the hat" or fishbowl contributions. Tooker says the Board's auditors have been educating the central committees on their reporting obligations and she's confident they will correctly report going forward. She asks for Board input on how to handle previously-filed reports with anonymous contributions (escheat or forgive?). Tillotson states she doesn't think the Board wants to chill these types of fund raising. General discussion followed with the question of getting some ideas from the parties, etc. Tooker will get some ideas and information and report back to the Board.

- Waiver of Rule 351-4.54 for PACs that don't meet PAC definition but want to continue as an ongoing entity

Tooker states there are a number of small PACs that were formed and now do not really make campaign contributions or very minimal ones. The committees cannot dissolve because the Board's present rule requires disbursement of all funds. While these committees are not interested in campaign work, they want to continue to be ongoing organizations and therefore keep their funds. An example is a Republican Women's Club that gives out scholarships and supports charities. These committees do not enjoy reporting to the Board and create unnecessary work for the Board's staff. Albert says this would be comparable to administrative resolution. Consensus by board members to address each committee interested in dissolving by voting on waiver of rule requiring it to disburse all of its funds. Tooker says she and the auditors will make that option available to the PACs.

- X. ADJOURNMENT – Motion by Rueter, second by Tillotson, to adjourn. All in favor. Meeting adjourned at 3:05 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S. Wright". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.